

# EXHIBIT 12



By order of the court, *Judge Juan T. Lizama*



E-FILED  
CNMI SUPERIOR COURT  
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Case Number: 07-0152-CV  
N/A

IN THE SUPERIOR COURT  
OF THE  
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

UNITED MICRONESIA  
DEVELOPMENT ASSOCIATION, INC.  
("UMDA"), and UMDA  
LAOLAO LLC,

CIVIL CASE NO. 07-0152

Plaintiffs,

v.

ROBERT PFAFF, et al.,

ORDER

Defendants.

THIS MATTER came on for hearing May 12, 2008 to reconsider the Court's April 18, 2008 Order after Emergency Hearing. Counsel for plaintiffs and defendants were present and heard. After carefully considering the arguments made during the hearing the Court hereby denies the motion for reconsideration and orders the deposition of Thomas Sorenson to occur as scheduled. The parties may seek to depose the current trustee, Laramie Fealty, at a later date if they choose.

SO ORDERED this \_\_\_\_ day of May 2008.

\_\_\_\_\_/s/  
Juan T. Lizama  
Associate Judge, Superior Court

# EXHIBIT 13

## UNITED STATES TAX COURT

WASHINGTON, DC 20217

POINT DU HOC IRREVOCABLE TRUST,  
THOMAS SORENSON, TRUSTEE,

Petitioner

v.

COMMISSIONER OF INTERNAL REVENUE,

Respondent

Docket No. 6041-05.

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JUDGE	
FILED	

ORDER

Upon due consideration of petitioner's Motion To Substitute Trustee, filed May 7, 2008, and respondent's Notice of No Objection thereto, filed May 15, 2008, it is

ORDERED that petitioner's Motion To Substitute Trustee is granted. It is further

ORDERED that the caption in this case is amended to read: "Point du Hoc Irrevocable Trust, Joseph A. Zebrowski, Jr., Trustee, Petitioner v. Commissioner of Internal Revenue, Respondent".



John O. Colvin  
Chief Judge

Dated: Washington, D.C.  
May 20, 2008

SERVED MAY 21 2008

# EXHIBIT 14

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GET Realty Trust and KCT Irrevocable Trust and  
Thomas C. Sorenson in his individual capacity*

**IN THE SUPERIOR COURT FOR THE  
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS**

**UNITED MICRONESIA DEVELOPMENT  
ASSOCIATION, INC. and UMDA LAOLAO  
LLC**

**Plaintiffs,**

**v.**

**ROBERT PFAFF, et al.**

**Defendants.**

**CIVIL ACTION NO. 07-0152**

**DEFENDANT'S MEMORANDUM IN  
OPPOSITION TO PLAINTIFFS'  
MOTION TO RECONSIDER THE  
COURT'S APRIL 4, 2008 ORDER  
DISMISSING THOMAS C. SORENSON  
(IN HIS INDIVIDUAL CAPACITY),  
GET REALTY TRUST AND KCT  
IRREVOCABLE TRUST.**

COMES NOW, Laramie Fealty LLC, Trustee for the GET Realty Trust ("GET") and KCT Irrevocable Trust ("KCT"), Thomas C. Sorenson in his individual capacity, by and through their Counsel, and hereby file their opposition to Plaintiffs' Motion to Reconsider the Court's April 4, 2008 Order Dismissing Thomas C. Sorenson (In His Individual Capacity), GET Realty Trust and KCT Irrevocable Trust.



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CNMI SUPERIOR COURT  
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Case Number: 07-0152-CV  
Elsa Chuecas

A handwritten signature, likely of the court clerk, in dark ink.

## I. BACKGROUND

1  
2 1. On August 9, 2007, GET Realty Trust moved to dismiss the claims against it, for  
3 among other reasons, that the proper party to a lawsuit is the trustee as a trust is not a legal entity and  
4 it does not have the capacity to be sued as a party defendant.

5 2. On August 28, 2007, Thomas C. Sorenson in his individual capacity moved to  
6 dismiss the claims filed against him, for among other reasons, that the Court lacked personal  
7 jurisdiction over him.

8 3. On October 24, 2007, KCT Irrevocable Trust filed a motion to dismiss the claims  
9 against it, for among other reasons that the proper party to a lawsuit is the trustee as a trust is not a  
10 legal entity and it does not have the capacity to be sued as a party defendant.

11 4. The motions by GET and Sorenson the individual were to be heard in September of  
12 2007 while the motion of KCT was originally to be heard in November of 2007. However, the  
13 hearing dates on the motions were moved back as the Court dealt with a number of hearings on a  
14 prior filed motion for summary judgment, the motion for preliminary injunction, as well as delays  
15 caused by the eye surgery to Plaintiff UMDA's counsel. Finally, by scheduling order issued on  
16 November 27, 2007, the motions were scheduled for hearing on February 19, 2008. (Nov. 27, 2007,  
17 Order on Stipulated Request to Reset All Motions by All Parties).

18 5. Thomas Sorenson served as trustee for the GET and KCT trusts from late 2001 to late  
19 2007. Mr. Sorenson is 71 and suffers from a series of serious medical conditions, including  
20 congestive heart failure, vascular disease, an intestinal condition, a thyroid condition, memory  
21 problems, sleep apnea and obesity. He has particular difficulty with his health issues starting in the  
22 afternoon of each day, and air travel badly exacerbates his vascular disease. He resigned as trustee  
23  
24  
25

1 at the end of 2007 for several reasons, but particularly the workload, his health and his age.  
 2 (Sorenson Depo at 9:12; 11:20 – 12:10; 17: 17 – 22; 38: 20 – 21; 39: 21 – 40: 5.)<sup>1</sup>

3 6. Following the Court's hearing held on February 19, 2008 on various parties' motions  
 4 to dismiss, the Court issued an Order on April 4, 2008, wherein the Court dismissed GET and KCT  
 5 because they must be sued through their trustee. The Court also dismissed Thomas Sorenson in his  
 6 individual capacity based on a lack of personal jurisdiction. (Order Following February 19, 2008  
 7 Hearing at 4). In dismissing Mr. Sorenson, the Court reasoned as follows:

8 Sorenson is the trustee of one of the defendants involved in this case and is named in  
 9 both an individual and trustee capacity. He is contesting personal jurisdiction over  
 10 himself in an individual capacity. Sorenson, represented by Colin Thompson and  
 11 John Pierce, argues that as an individual his contacts with the CNMI are too slight to  
 allow personal jurisdiction. He does not contest the propriety of being sued as trustee.

12 In order for Sorenson (individual) to prevail on this motion he must show that as an  
 13 individual there are not enough contacts with the CNMI to justify bringing him  
 14 before the court. Sorenson asserts that as an individual he has never visited Saipan,  
 15 conducted business in Saipan, caused injury in Saipan, or committed an act outside of  
 Saipan that affected the jurisdiction. The preceding list of examples is typical indicia  
 of whether a person could reasonably be haled before a court under a long arm  
 statute.

16 The Court concurs with Sorenson's assertion that his contacts, as an individual, are  
 17 insufficient to satisfy the requirements for long arm personal jurisdiction. Therefore  
 18 the Court grants defendant's motion on this count because there are insufficient  
 19 contacts with the forum as an individual. The First Amended Complaint only names  
 20 him a handful of times and does not sufficiently allege why Sorenson the individual  
 should be named as a defendant in this matter. Therefore the Court grants Sorenson  
 the individual's motion to dismiss based on failure of personal jurisdiction.

21 (Order Following February 19, 2008 Hearing at 3-4).

22  
 23  
 24  
 25 <sup>1</sup> The referenced pages of deposition transcript of Thomas C. Sorenson is attached as Exhibit "A" to the Declaration of  
 Colin Thompson filed concurrently with this opposition.



7. On April 28, 2008, Plaintiffs' filed their Motion to Reconsider the Court's April 4, 2008 Order Dismissing Thomas C. Sorenson (In His Individual Capacity), GET Realty Trust and KCT Irrevocable Trust.

## II. LAW AND ARGUMENT

The Motion for Reconsideration is untimely under Commonwealth procedural law. The Motion for Reconsideration distorts the record and imparts motives that have no basis in the record. Plaintiffs' mendacity is especially malicious in their attempt to pass off the indictment of Defendant Pfaff as implicating Mr. Sorenson. Plaintiffs' Motion for Reconsideration is an outrageous screed serving only to demonstrate Plaintiffs' use of an over the top advocacy that knows no bounds in their attempt to win this lawsuit by any means necessary rather than by the merits. Plaintiffs' actions are abusive, sanctionable and should not be countenanced by this Court. The Court must deny Plaintiff's motion.

### A. Plaintiffs' Motion to Reconsider the Court's April 4, 2008 Order Dismissing Thomas C. Sorenson (In His Individual Capacity), GET Realty Trust and KCT Irrevocable Trust Must be Denied as Untimely

Com. R. Civ.P. 59(e) recognizes courts' inherent power to alter or amend orders. *Com.R.Civ. P. 59(a)*. However, it is an "extraordinary remedy, to be used sparingly in the interest of finality and conservation of judicial resources" *Kona Enterprises, Inc. v. Estate of Bishop*, 229 F. 3d 877, 890 (9<sup>th</sup> Cir., 2000)(citation omitted). Motions for reconsideration will not be granted absent "highly unusual circumstances" *McDonlad v. Calderon*, 197 F 3d 1253,1255 (9<sup>th</sup> Cir., 1995), *cert. denied*, 120 S.Ct. 1708, 146 L. Ed. 2d 511 (2008). No such circumstances exist here.

In addition, Defendants note that Plaintiffs' motion for reconsideration is untimely. Under *Com.R.Civ.P. 59(e)*, parties may challenge an order or judgment entered by the Court by way of a motion to alter or amend the judgment, commonly characterized as a motion for reconsideration.

1 See *Computerized Thermal Imaging, Inc. v. Bloomberg, L.P.*, 312 F.3d 1292, 1296 (10th Cir. 2002).  
 2 Motions for reconsideration under Com.R.Civ.P. 59(e) must be served no later than 10 days after the  
 3 entry of the judgment. In this case, Plaintiffs failed to file their motion until April 28, 2008, some 24  
 4 days after the order was issued and well outside the 10 days permitted by the rule. Accordingly, the  
 5 Court must reject Plaintiffs' motion for Reconsideration.

6  
 7 **B. Plaintiffs' Motion To Reconsider The Court's April 4, 2008 Order Dismissing Thomas**  
 8 **C. Sorenson (In His Individual Capacity), GET Realty Trust And KCT Irrevocable**  
 9 **Trust Must Be Denied As Defendant's Actions Are Within The Meaning Of**  
 10 **Com.R.Civ.P. 25(c) And Plaintiffs' Motion Presents No New Evidence Warranting**  
 11 **Reversal Of The Court's Order**

12 In what is rapidly turning out to be standard operating procedure for Plaintiffs, they scream  
 13 fraud and misrepresentation whenever it suits their ends. This time, Plaintiffs claim "[t]he new  
 14 evidence here is of Defendants' misrepresentation and fraud upon the Court, which warrant  
 15 reconsideration of the Court's April 4, 2008 Order and the reinstatement of GET, KCT, and  
 16 Sorenson in his individual capacity in this action." (Plf's Mot. Reconsideration at 4). Plaintiff's  
 17 exclaim surprise at the filing of counter-claims by the successor Trustee, Laramie Fealty LLC, and  
 18 feel moved to state such ludicrous assertions such as "the secret replacement of Sorenson with an  
 19 unheard of entity provides further evidence that GET and KCT were not created for a valid purpose,  
 20 but are merely Pfaff shells" and "perhaps it is not surprising that Defendants purposefully hid this  
 21 fact (of the assignment of the trust property from Sorenson to Laramie Fealty LLC) from the Court  
 22 (and Plaintiffs) until *after* the Court issued its order dismissing GET, KCT and Sorenson in his  
 23 individual capacity." (Plf's Mot. Reconsideration at 8). Plaintiffs' assertion and arguments have no  
 24 basis in law and are a farcical twisting of fact with legal conclusion. The court must reject  
 25 Plaintiffs' motion as Defendants' actions are well within Rule 25(c) of the Commonwealth Rules of

1 Procedure and plaintiffs present no new evidence justifying the reversal of the dismissals from this  
2 lawsuit of Thomas Sorenson the individual and GET and KCT.

3 The Trustees actions are well within the meaning of Com.R.Civ.P. 25(c). Rule 25(c) states  
4 that: "In case of any transfer of interest, the action may be continued by or against the original party,  
5 unless the court upon motion directs the person to whom the interest is transferred to be substituted  
6 in the action or joined with the original party." As the Court in *Educational Credit Mgmt. Corp. v.*  
7 *Bernal (In re Bernal)*, 207 F.3d 595, 598 (9th Cir. 2000), said, "Rule 25(c) is not designed to create  
8 new relationships among parties to a suit but is designed to allow the action to continue unabated  
9 when an interest in the lawsuit changes hands." *Id.* (citing *Collateral Control Corp. v. Deal (In re*  
10 *Covington Grain Co., Inc.)*, 638 F.2d 1362, 1364 (5th Cir. 1981)). A leading treatise has  
11 underscored that by stating:  
12

13 The most significant feature of Rule 25(c) is that it does not require that anything be  
14 done after an interest has been transferred. The action may be continued by or against  
15 the original party, and the judgment will be binding on his successor in interest even  
16 though he is not named. An order of joinder is merely a discretionary determination  
17 by the trial court that the transferee's presence would facilitate the conduct of the  
18 litigation.

19 7C Charles Alan Wright, et al., *Federal Practice and Procedure* § 1958 (2d Ed. 1986).

20 In *Bernal* the Ninth Circuit Court of Appeals upheld a default judgment against a successor  
21 defendant on the basis that as an assignee of some notes, the defendant was bound by the default  
22 judgment rendered against the prior holder of the notes. In the case, a debtor filed an adversary  
23 proceeding against a company that held her student loan debt in the form of notes. The company  
24 failed to respond and the Court entered a default against the company. Shortly thereafter, the  
25 company assigned the notes to another company for collection. Eventually, the successor company  
filed a motion to intervene and set aside the default. Reviewing under Rule 25(c), the Court of  
Appeals rejected the effort stating,

1 There is nothing mysterious about what happened in this case. When litigation was  
 2 commenced, the notes in question were owned by CSAC, and that was even true  
 3 when the default was entered. ECMC was not even in the picture as far as Bernal and  
 4 the bankruptcy court were concerned. Only at a later time were the notes, and any  
 5 possible rights under them, transferred to ECMC. That was, therefore, the very  
 6 paradigm of an assignment controlled by Rule 25(c), and ECMC was bound by what  
 7 had gone on before. To slightly paraphrase what the Fifth Circuit said over 50 years  
 8 ago, when it was faced with a similar attempt to wriggle out of a situation created by  
 9 an assignor:

10 [ECMC] ignores the undisputed fact of record that [it] was not a party  
 11 to the original suit, but acquired whatever rights it may have in the  
 12 property, if any, only by virtue of the assignment from [CSAC], and  
 13 must therefore stand in [its] shoes with respect to all phases of the  
 14 litigation. The fact that [CSAC's] litigation may have impaired or  
 15 adversely affected the rights of [ECMC] under the assignment would  
 16 not justify our disturbing all prior orders and decrees entered in this  
 17 controversy and unfavorable to [ECMC] which were binding upon  
 18 [CSAC] . . . when made.

19 *Deauville Assoc. v. Murrell*, 180 F.2d 275, 277 (5th Cir. 1950).

20 *Bernal*, 207 F.3d at 598-599.

21 Plaintiffs were in no way impaired by the succession of trustees. Applying the reasoning of  
 22 Professor Wright and the Court in *Bernal*, Defendants had *no duty* under Rule 25(c) to immediately  
 23 announce to the Court and Plaintiffs that Sorenson resigned and was replaced by Laramie Fealty  
 24 LLC as trustee of GET and KCT. As further shown by *Bernal*, any claims that plaintiffs have  
 25 against the trustee of GET and KCT followed and inured to the successor trustee, Laramie Fealty  
 LLC. Thus, any liability that the trustee of GET and KCT may owe to plaintiffs is not impaired by  
 the succession of trustees. The only impairment plaintiffs suffer is their lack of knowledge of basic  
 procedural law.

Although not even a factor that needs to be considered by the Court, Defendants further note  
 that plaintiffs were not prejudiced by the succession of trustees. Plaintiffs received notice of the  
 change in trustees and the identity of the trustees when Laramie Fealty filed its counter-claims and

1 third-party claims against UMDA and various other parties on April 8, 2008, a date that was well  
2 before the anticipated depositions of GET, KCT and Sorenson the Individual. Moreover, contrary to  
3 the deceitful representations of plaintiffs, the current trustee fully complied with this Court's April 4,  
4 2008 order by readily producing all non-confidential documents responsive to the document requests  
5 following the order. The document productions by GET and KCT's trustee were made long after  
6 Mr. Sorenson's resignation, demonstrating that the successor trustee is fully compliant with its  
7 litigation obligations. The discovery productions were also prior to the date of the scheduled  
8 depositions pursuant to Rule 30(b)(6) of GET, KCT and the deposition of Thomas Sorenson the  
9 individual pursuant to Com.R.Civ.P. 45. The trustee's supplemental production of confidential  
10 documents awaits only the resolution of a confidentiality agreement among all the parties to the  
11 litigation as the Court ordered on April 4, 2008. The plaintiffs cannot in good faith say or show that  
12 the change of trustees prejudiced Plaintiffs.

13  
14 Plaintiffs present no new evidence justifying the reversal of the Court's April 4, 2008 Order  
15 dismissing Thomas Sorenson the individual and GET and KCT. Rather than presenting new  
16 evidence showing that Thomas Sorenson the Individual had contacts with the CNMI such as to  
17 satisfy the long arm statute and due process, or that GET and KCT could somehow actually be  
18 proper parties to this lawsuit, plaintiffs present several pages of distortion and deceit to this Court.

- 19 • "...Mr. Pierce reaffirmed that Sorenson was GET's purported trustee at the February 19,  
20 2008 hearing, Mr. Pierce argued that, "[i]f there's any claim to go forward, it's against  
21 Sorenson the trustee." (Plf's Mot. Reconsideration at 5). Plaintiffs' attempt to  
22 characterize this statement as a misrepresentation is a complete distortion of the record.  
23 When Thomas Sorenson filed his motions to dismiss he was still operating as a trustee.  
24 However, the hearing dates on the motions were constantly moved back as the Court  
25

1 dealt with a number of hearings on a prior filed motion for summary judgment, the  
2 motion for preliminary injunction, as well as delays caused by the eye surgery to Plaintiff  
3 UMDA's counsel. When the hearing occurred on February 19, 2008, Thomas Sorenson  
4 was no longer the trustee of GET or KCT, but, as shown above, under Com.R.Civ.P.  
5 25(c), this did not matter. He was still potentially on the hook individually. A review of  
6 the entire statement reveals that Mr. Pierce was emphasizing the different capacities that  
7 Mr. Sorenson was being sued in and that if there was any basis to proceed with plaintiffs'  
8 case, it was against the trustee--not the trusts as argued separately--and not against the  
9 individual. (Jacob Aff. Ex. B. at 153:16 to 154:6). Counsel's succinct highlight of the  
10 essence of the argument to dismiss Mr. Sorenson the Individual--briefed six months  
11 before and argued orally at length throughout the day, and with a reference to the way  
12 they named "Sorenson the Trustee" in the First Amended Complaint--hardly constitutes  
13 an attempt to mislead the court. The statement illustrated why the case was only  
14 appropriate to proceed, if at all, against the trustee of the trusts and not the individual.  
15 The attempt by plaintiffs to characterize it otherwise is a repugnant distortion of the  
16 record.  
17

- 18 • "Indeed it took multiple orders to compel the deposition and an emergency hearing to  
19 ensure [Mr. Sorenson the Individual's Com.R.Civ.P. 45 deposition] actually convened."  
20 (Plf's Mot. Reconsideration at 5). This statement is a complete distortion of the record.  
21 The Court never had to issue an order compelling the testimony of Thomas Sorenson the  
22 Individual. The April 4, 2008 Order cited by plaintiffs states that:

23 The Court is pleased to learn of the pending scheduled depositions that  
24 have been agreed upon by the various parties. However the Court would  
25 implore all parties to work a little harder to schedule all requested  
discovery and depositions in the near future so as to move this case



1 forward. The Court approves the scheduled deposition of [Thomas  
2 Sorenson on April 16, 2008].

3 As readily seen from the language of the Order, the Court was not compelling anything  
4 but was merely acknowledging the efforts of the parties come up themselves with a  
5 deposition schedule. Mr. Sorenson notes further that, but for plaintiffs' failure to notify  
6 all parties to the litigation about the depositions of GET and KCT, they would have  
7 completed their depositions of GET and KCT with Sorenson as the witness and an  
8 emergency hearing would never have occurred. As it is, they have deposed Sorenson,  
9 who voluntarily appeared pursuant to Rule 45, waiving service as required under Rule  
10 45. Plaintiffs have had access to Sorenson, and his testimony only served to confirm that  
11 he had no contact with the jurisdiction as an individual to establish sufficient contacts  
12 with the CNML.

- 13 • Plaintiffs presents a litany of distorted testimony from the April 16, 2008 deposition of  
14 Thomas Sorenson in his individual capacity including "Sorenson claimed to know very  
15 little about his supposed successor, Laramie Fealty," that Sorenson no longer had  
16 documents belonging to either GET and KCT, that "GET's and KCT's bank accounts had  
17 been emptied and new accounts opened," and that Sorenson would not disclose where the  
18 new bank accounts are or where the documents were "hidden." (Plf's Mot.  
19 Reconsideration at 5). Plaintiffs' characterization of Sorenson's testimony is specious  
20 and a distortion of what occurred. First, the argument is specious given that the language  
21 of the Court's April 4, 2008 order states that "the Court agrees that personal information  
22 such as... banking information and other such personal and private information should  
23 certainly be redacted from any documents." Second, plaintiffs' characterization is a  
24 distortion of Sorenson's testimony as Sorenson was testifying based on his personal  
25

1 knowledge and not as a Com.R.Civ.P. 30(b)(6) representative of GET. Much of  
 2 plaintiffs' questioning was outside his personal knowledge, outside the scope of the  
 3 deposition or infringed on attorney-client privilege. The attempt by plaintiffs to  
 4 characterize it otherwise is a repugnant distortion of the record and must be rejected.

- 5 • At pages 6 through 7 of plaintiffs' motion for reconsideration, they present the following  
 6 bizarre and paranoid argument:

7 Because of this stealth switch-a-roo and moving of documents and funds,  
 8 GET has been able to avoid producing documents in response to Plaintiffs'  
 9 request for production, even after the Court has ordered it to do so. (See  
 10 April 4, 2008 Order at 10). And now, after having secretly "substituted"  
 11 trustees and hidden document responsive to Plaintiffs' request, GET has  
 12 propounded document requests on Plaintiffs. (See Jacob Aff. Ex. E.) –  
 13 seeking discovery from Plaintiffs even as it has spent months denying  
 14 discovery from Plaintiffs. This request was propounded by "Defendant,  
 15 Trustee for GET Realty Trust". (*Id.*) But the trustee is not named,  
 16 suggesting that Defendants may be preparing to substitute in yet another  
 17 trustee and GET's documents responsive to Plaintiffs outstanding  
 18 discovery request to yet another undisclosed location and that there will  
 19 not be anyone at the end of the day that the Court can order to be  
 20 responsible for the abuses and the huge damages-far beyond GET's  
 21 amount in the funds under the Court's jurisdiction-Pfaff, through GET and  
 22 his other entities, is inflicting.

23 Not only is plaintiffs' argument bizarre and paranoid, it distorts the record. Both trusts are  
 24 in full compliance with the Court's April 4, 2008 Order and have produced all non-  
 25 confidential documents to plaintiffs, withholding only confidential documents pending a  
 confidentiality agreement agreed to by all the parties to the litigation. The plaintiffs  
 mislead the court in its papers by failing to disclose that both trusts produced all non-  
 confidential discovery in its possession in advance of the previously scheduled trust  
 depositions – which plaintiffs failed to properly notice – and now argue that it is denying  
 discovery to plaintiffs. But for plaintiffs' refusal to negotiate in good faith on terms of a  
 confidentiality agreement, they would have had the trusts' full production of documents



1 weeks ago, and certainly prior to the deposition dates for the trusts about which UMDA  
 2 failed to notify all parties. Plaintiffs' bizarre arguments are not new evidence and should  
 3 be rejected by the Court.

4 As shown, plaintiffs present no new evidence justifying the reversal of the Court's April 4,  
 5 2008 Order dismissing Thomas Sorenson the individual, GET and KCT. Plaintiffs present no new  
 6 evidence showing that Thomas Sorenson the Individual had contacts with the CNMI such as to  
 7 satisfy the long arm statute and due process. Instead, plaintiffs present several pages of distortion,  
 8 deceit and bizarre argument and try to game the Court into believing their tripe requires the reversal  
 9 of the Court's dismissal of Sorenson in his individual capacity. The Court must reject plaintiffs'  
 10 plaintiffs' attempt to bring Sorenson the Individual back into this case.

11 Similarly, the Court must reject the attempt to bring back GET and KCT. Plaintiffs present  
 12 no new evidence regarding the trusts themselves and it is well settled that trusts are not *sui generis*.  
 13 Trusts can only be sued through their trustees. *E.P. Coverdell v. Mid-South Farm Equipment Ass'n,*  
 14 *Inc.*, 335 F.2d 9, 13 (6th Cir. 1964) (vacating judgment against trust, since trust could be sued only  
 15 through its trustees); *Cmtys. for a Better Env't. v. Cenco Ref. Co.*, No. CV 00-5665 AHM (ADx),  
 16 2001 U.S. Dist. LEXIS 19113, 24-25 (D. Cal. 2001); *NFS Services, Inc. v. Dorchester Trust*, No. 78  
 17 Civ. 4758 (MP), 1979 U.S. Dist. Lexis 11052 (S.D.N.Y. 1979)(citing numerous cases and holding "a  
 18 suit by strangers of the trust must be brought against the trustees thereof individually and not against  
 19 the fictional entity..."); *Northern Acceptance Trust 1065 v. AMFAC, Inc.*, 51 F.R.D. 487, 489  
 20 (D.Hawaii 1971); *Hershel California Fruit Products Co. v. Hunt Foods*, 119 F. Supp. 603, 607  
 21 (N.D. Cal. 1954); *Yonce v. Miners Memorial Hospital Association*, 161 F.Supp. 178, 188 (W.D. Va.  
 22 1958). For the foregoing reasons, the Court must deny plaintiffs' motion for reconsideration.

23  
 24 **C. The Indictment Of Defendant Pfaff Is Not New Evidence And Does Not Implicate Mr.**  
 25 **Sorenson In Any Way**

1        Plaintiffs argue in their motion for reconsideration that an indictment returned in the  
 2 Southern District of New York in March constitutes new evidence forming a basis to reconsider the  
 3 dismissal of Thomas Sorenson in his individual capacity. Their argument is terribly misleading, as  
 4 if attempting to commit a fraud against the Court. Plaintiffs ignore the fact that indictments are *not*  
 5 evidence. Additionally, the new indictment provides *absolutely nothing* to suggest Thomas  
 6 Sorenson the Individual had sufficient contact with the CNMI to provide this Court with personal  
 7 jurisdiction. In fact, the indictment *confirms* that Mr. Sorenson engaged in no wrongdoing  
 8 whatsoever.

9        Plaintiffs argue in their motion that the a new indictment "specifically allege[s] that Pfaff and  
 10 his co-conspirators 'caused a stock certificate for 35,000 shares of [UMDA] to be issued on  
 11 December 27, 2001 in the name of Pfaff's brother-in-law,' i.e., Thomas Sorenson." (Plf's Mot.  
 12 Reconsideration at 8). Plaintiffs suggest that such an allegation is "new evidence" against Mr.  
 13 Sorenson the Individual. But who are the people alleged in the indictment to be Pfaff's  
 14 coconspirators? "Saipan coconspirator number 1" is identified as a "senior officer of a company  
 15 located in Saipan" (UMDA). "Saipan coconspirator number 2" is identified as another "senior  
 16 officer of a company located in Saipan" (UMDA). And "Saipan coconspirator number 3" as yet  
 17 another "senior officer of a company located in Saipan" (UMDA). Plaintiffs conveniently fail to  
 18 disclose those allegations to the Court. Moreover, the plaintiffs mislead the Court as to what is  
 19 actually alleged in the indictment. The indictment specifically says "... *Saipan Co-conspirator-1*  
 20 caused a stock certificate for 35,000 shares of [UMDA] to be issued on December 27, 2001 in the  
 21 name of Pfaff's brother-in-law, ..." (Emphasis added). In other words, the indictment alleges that  
 22 it was a UMDA senior officer who caused the stock to be issued in Sorenson's name.

23        Mr. Sorenson is specifically *not* alleged to be a coconspirator in the indictment, and there is  
 24 not even a hint of suggestion in the indictment that Mr. Sorenson was involved in any wrongdoing  
 25 whatsoever. It is unconscionable for plaintiffs to suggest that the allegations in the indictment

1 constitute "new evidence" against Mr. Sorenson rather than against the senior officers of its own  
2 company, all information known to UMDA prior to the filing of the First Amended Complaint. Yet  
3 if the Court peruses the list of defendants in Plaintiffs First Amended Complaint, the Court will note  
4 that Plaintiffs are attempting to rename as a defendant a completely innocent 71-year-old Thomas  
5 Sorenson the Individual while not even naming the "senior officers of a company located in Saipan"  
6 that the indictment alleges committed wrongs against UMDA. Thomas Sorenson the Individual  
7 never had sufficient contacts with Saipan to warrant jurisdiction over him, and the referenced  
8 indictment does nothing to change that fact.

9 In fact, the new indictment confirms that Tom Sorenson engaged in absolutely no  
10 wrongdoing whatsoever. The government conducted its investigation and did not see fit to even  
11 include his name in the indictment, much less suggest that he was a coconspirator of anyone. The  
12 government did, however, see fit to allege that *three "Saipan company senior officers"* were  
13 coconspirators. Furthermore, prior to filing their motion, plaintiffs had deposed Sorenson who  
14 testified throughout his deposition that the purchase of UMDA stock was for the trust and that he  
15 played absolutely no role in the stock being issued in his name. (See, e.g., Sorenson Deposition at  
16 177: 2-9). It is shameful that UMDA would suggest that the new indictment provides any "new"  
17 evidence for this Court to consider as it relates to Tom Sorenson the Individual rather than perhaps  
18 its own officers.

19 Plaintiffs continue their attempt to mislead the Court stating that "further allegations [in the  
20 indictment] as to Sorenson's involvement in placing UMDA assets" in the trust. (Plf's Mot.  
21 Reconsideration at 8-9). Plaintiffs then refer to allegations of Pfaff conduct on "March 11, 1996"  
22 and "[b]etween 1993 and 2000," as if that alleged conduct could somehow implicate Mr. Sorenson  
23 and constitute a "new fact" warranting reconsideration of his dismissal as an individual. (Plf's Mot.  
24 Reconsideration at 9). Plaintiffs very much knew from having deposed Mr. Sorenson before filing  
25 their motion for reconsideration that Mr. Sorenson did not become a trustee of GET and KCT until

2001. (Sorenson Deposition at 103:25 – 104:7). To suggest that allegations in an indictment for conduct in 1996 and between 1993 and in 2000 constitutes “new evidence” against Thomas Sorenson the Individual--when he did not become trustee until 2001-- is yet another example of the depths these plaintiffs will sink in their attempt to mislead this Court.

In summary, the indictment alleges that a “senior officer” of UMDA issued the certificate in the name of Thomas Sorenson, with no allegation of knowledge on the part of Tom Sorenson that it had happened. The issuance of a share certificate in the name of Thomas Sorenson was done specifically without his participation or knowledge, as he has so testified. He understood at all times that the UMDA shares were shares owned by the trust for which he was trustee. If UMDA was wronged and has claims, it appears such claims are the responsibility of its own officers. UMDA's failure to identify those allegations in their motion is an attempt to commit fraud on this Court. They want to mislead this Court into believing that the new indictment provides some reflection of wrongdoing by Thomas Sorenson the Individual against UMDA. It specifically does not. There is not a shred of suggestion of wrongdoing by Tom Sorenson anywhere in the indictment, and UMDA should be sanctioned for suggesting otherwise. The Court must reject plaintiffs' attempts to characterize the indictment as new evidence requiring reversal of the Court's order of dismissal.

**D. Plaintiffs' Motion For Sanctions Against Defendants Must Be Denied While Plaintiffs' Deceitful Conduct Must Be Punished**

Plaintiffs allege that Defendants should be sanctioned for misrepresentations and fraud on the Court. Plaintiffs' allegations and argument are legally flawed, factually contrived, and continue to demonstrate the bad faith with which plaintiffs intend to pursue this litigation. Plaintiffs toss around allegations of fraud and misrepresentation by defendants when they should be admitting to the Court their own designs of fraud and deceit.

As plaintiffs well know, Tom Sorenson is a 71-year-old man battling a host of medical issues, not the least of which is congestive heart failure as an overweight senior citizen. The stress

1 of this litigation is dangerous to Mr. Sorenson's health. He resigned as the trustee due to his age, his  
2 health, and the work-load, and so informed the plaintiffs during his deposition. (Sorenson  
3 Deposition at 40:3 - 5). The plaintiffs were able to witness firsthand at his deposition the difficulties  
4 he faces.

5 Rather than recognize the facts for what they are, plaintiffs fabricate allegations that Mr.  
6 Sorenson's resignation was a design to fool this Court. They go on to misrepresent to this Court that  
7 *Sorenson* somehow used his resignation to defy a court order regarding discovery. (Plf's Mot.  
8 Reconsideration at 11). Once again, plaintiffs are resorting to flat out distortion and deceit upon this  
9 Court. Plaintiffs fail to indicate to the Court in their motion that the current trustee fully complied  
10 with this Court's April 4, 2008 order by readily producing all non-confidential documents  
11 responsive to the document requests following the order.<sup>2</sup> The document productions by GET and  
12 KCT's trustee were long after Mr. Sorenson's resignation, demonstrating that the successor trustee is  
13 fully compliant with its litigation obligations. The discovery productions were also prior to the date  
14 of the scheduled depositions pursuant to Rule 30(b)(6) of GET, KCT and the deposition of Thomas  
15 Sorenson the individual pursuant to Com.R.Civ.P. 45. The trustee's supplemental production of  
16 confidential documents awaited only the resolution of a confidentiality agreement among all the  
17 parties to the litigation.  
18

19 In this Court's order of April 4, 2008, the Court wrote: "The Court asks that counsel for *all*  
20 parties stipulate to a confidentiality agreement regarding the discovery documents and deposition  
21 information. . . . The Court believes it is in *all* parties' best interests to stipulate to a confidentiality  
22 agreement." (Order of April 4, 2008 at 9-10 (emphasis added)). Despite the clear language of this  
23 Court's order, plaintiffs continued to operate in defiance of this Court by failing and refusing to meet  
24

25 <sup>2</sup> Although Attorney Alex Freeman's declaration acknowledges the trustee's production of discovery, in contradiction  
Attorney Rodney Jacob's motion for reconsideration alleges the trustee has failed to produce discovery.

1 and confer with all parties relating to a confidentiality agreement. Just a day after the Court entered  
2 its April 4 Order, John Pierce sent a version of a proposed confidentiality order to Plaintiffs' counsel  
3 referencing the Court's desire to see all parties stipulation to it. Mr. Pierce's version included a  
4 notation for the signatures of all counsel (See CMT decl. Ex. "B"). On May 5, 2008, Colin M.  
5 Thompson sent a proposal to all counsel (See CMT Decl. Ex. "C"). UMDA's response did not deny  
6 that they had taken no steps to comply with the Court's order regarding a stipulated confidentiality  
7 agreement with all parties (CMT Decl. Ex. "D"). Steve Nutting then set up a conference call and  
8 meeting for all counsel to attend and negotiate a protective Order. (CMT Decl. Ex. "E"). Despite  
9 the fact that counsel for the trustee of GET and KCT reminded the plaintiffs of this condition of the  
10 Court's order, plaintiffs continued to operate in defiance of this Court's order and never so much as  
11 circulated a proposed draft of a confidentiality agreement among all the parties to the litigation.  
12

13 Had plaintiffs operated in good faith and in compliance with this Court's order, they would  
14 have had the trusts' entire document production including the confidential discovery documents  
15 prior to the scheduled Rule 30(b)(6) depositions of GET and KCT in mid-April.<sup>3</sup> Had plaintiffs  
16 properly noticed the GET and KCT depositions—meeting their obligations to inform all parties to the  
17 litigation of discovery events instead of attempting to isolate parties just as with the confidentiality  
18 agreement—they would have had full documentary and testimonial discovery from the trusts by mid-  
19 April. Instead, through their own deceitful attempts to defy this Court's order, and through their  
20 own attempts to deceitfully operate in isolation of parties rather than a spirit of cooperation among  
21 all parties, they were left with rescheduled depositions of the trusts and without the confidential  
22 documents of the trusts pending an agreement among all parties pursuant to this Court's order.  
23  
24  
25

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<sup>3</sup> The Trusts again note their previous objection to the applicability of Com.R.Civ.P. 30(b)(6) to trusts.



1 Rather than acknowledging all the referenced facts in their motion, plaintiffs once again  
2 attempt to mislead this Court and allege that the former trustee of GET and KCT, Thomas Sorenson,  
3 somehow failed to respond to document requests plaintiffs misleadingly allege this Court ordered  
4 him to provide, rather than acknowledging that they possessed all responsive documents and would  
5 receive the others as soon as all parties had an opportunity to meet and confer in compliance with the  
6 Court's order regarding confidential documents. Plaintiffs go on to make the ludicrous accusation  
7 that Mr. Sorenson failed to meet discovery obligations by transferring trust documents to the  
8 successor trustee, rather than acknowledging that they had already received all non-confidential  
9 responsive trust documents and would receive the others as soon as they complied with the Court's  
10 April 4, 2008 order and met and conferred with *all* parties on a confidentiality agreement. If these  
11 misrepresentations to the Court are not enough, the plaintiffs go further to manufacture an  
12 accusation that Mr. Sorenson's resignation mandated a trumpeting to the Court and plaintiffs lest it  
13 be considered "a deliberate, deceptive tactical decision and a fraud on the court worthy of  
14 sanctions." (Plf's Mot. Reconsideration at 11).

15  
16 Unlike the courts in *Pumphrey v. K.W. Thompson Tool Co.*, 62 F.3d 1128 (9th Cir. 1995) and  
17 *Fair Housing of Marin v. Combs*, 285 F.3d 899, 905-906 (9th Cir. 2002), cited by plaintiffs in their  
18 briefs, Sorenson the Individual never misrepresented anything to the Court or claimed that evidence  
19 never existed. On the other hand, the discovery is available to establish the truth of all these facts  
20 for the record as soon as plaintiffs comply with this Court's order, and the trustee is anxious for the  
21 truthful record to become available in the litigation.

### 22 III. CONCLUSION

23 In light of all the foregoing, plaintiffs' allegations that GET, KCT or Tom Sorenson  
24 participated in any misrepresentations or frauds upon the Court are so outrageous that it warrants  
25

1 sanctions for the need to respond to the motions. Equally outrageous is the unfounded notion that  
2 Thomas Sorenson's resignation as trustee somehow changes the law of the long arm statute to render  
3 sufficient his insufficient contacts with Saipan as an individual. There was never a basis to name  
4 Thomas Sorenson as an individual in this lawsuit, and the Court so found under the long arm statute  
5 in its order of April 4, 2008. There are absolutely no new facts to warrant a reconsideration of that  
6 ruling. The trusts themselves are also not proper parties to the litigation, and the Court so ruled in its  
7 order of April 4, 2008. There are likewise no new facts warranting reconsideration of that order.  
8 The Court found sufficient contacts to the jurisdiction by the trusts to warrant requiring the proper  
9 party for the trusts, the trustee, to litigate the matter in this jurisdiction. Tom Sorenson happened to  
10 be the trustee during the times relevant to the litigation, and the successor trustee is therefore  
11 undertaking its responsibilities in this litigation on behalf of the trusts. Sanctions should issue  
12 against plaintiffs for the needlessness of responding to these baseless motions, and the trustee will  
13 submit its costs and fees associated with responding thereto.  
14

15  
16 DATED this 12<sup>th</sup> day of May, 2008.

17 /s/  
18 **COLIN M. THOMPSON, ESQ.**  
19 Thompson Law Office, LLC  
20 CNMI Bar No.: FO221

21 /s/  
22 **JOHN P. PIERCE, ESQ.**  
23 Admitted Pro Hac Vice  
24  
25



# EXHIBIT 15

IN THE  
SUPREME COURT  
OF THE  
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

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IN RE *PRO HAC VICE* ADMISSION  
OF  
JOHN P. PIERCE.

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SUPREME COURT NO. 2007-ADM-0030-PHV  
SUPERIOR COURT CIVIL CASE NO. 07-0152

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ORDER SETTING SCHEDULE AND  
SUSPENDING *PRO HAC VICE* ADMISSION

¶1 This Court, after reviewing the Respondent's Emergency Motion under Rule 27(f) for Enlargement of Time filed on June 19, 2008, and the opposition by counsel of Jose R. Lifoifoi, Russell K. Snow Jr. and Edwardo A. Calvo, finds the following:

(1) There is one simple issue in this case and that is whether *Pro Hac Vice* admitted attorney John Pierce exceeded his authority to practice law in the Commonwealth as alleged by the opposition.

(2) That although the issue is a simple one to resolve, the allegation, if true, should not be ignored and must be treated seriously.

¶2 Accordingly, Respondent's Motion to Enlarge time is granted and the following schedule shall now be in effect:

(1) Attorney *Pro Hac Vice* John P. Pierce shall file a response by July 1, 2008.

(2) Movant (Opposition) shall file their responses by July 8, 2008.

(3) The hearing on Movant's (Opposition's) motion shall take place on July 17, 2008 at 2:00 p.m. in the Supreme Court courtroom to accommodate the needs of Respondent and his local counsel.

(4) Further, Respondent's *Pro Hac Vice* admission is hereby suspended pending the resolution of this motion.

SO ORDERED this 23rd day of June, 2008.

/s/  
MIGEUL S. DEMAPAN  
Chief Justice